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Please find below and/or attached an Office communication concerning this application or proceeding.

The time period for reply, if any, is set in the attached communication.

Office Action Summary	Application No.	Applicant(s)	
	10/655,804	HELITZER ET AL.	
	Examiner	Art Unit	
	Tran Nguyen	3626	

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

1)☒ Responsive to communication(s) filed on *11 July 2008*.

2a)☐ This action is **FINAL**. 2b)☒ This action is non-final.

3)☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

4)☒ Claim(s) *54-67 and 70-108* is/are pending in the application.

4a) Of the above claim(s) _____ is/are withdrawn from consideration.

5)☐ Claim(s) _____ is/are allowed.

6)☒ Claim(s) *54-67 and 70-108* is/are rejected.

7)☐ Claim(s) _____ is/are objected to.

8)☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

9)☐ The specification is objected to by the Examiner.

10)☐ The drawing(s) filed on _____ is/are: a)☐ accepted or b)☐ objected to by the Examiner.

Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).

Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).

11)☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

12)☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).

a)☐ All b)☐ Some * c)☐ None of:

1.☐ Certified copies of the priority documents have been received.

2.☐ Certified copies of the priority documents have been received in Application No. _____.

3.☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

1) ☒ Notice of References Cited (PTO-892)
2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
3) ☐ Information Disclosure Statement(s) (PTO/SB/08) Paper No(s)/Mail Date _____.
4) ☐ Interview Summary (PTO-413) Paper No(s)/Mail Date. _____.
5) ☐ Notice of Informal Patent Application
6) ☐ Other: _____.

9DETAILED ACTION

Notice to Applicant

This communication is in response to the communication filed 07/11/2008. Pending claim(s): 54-67, 70-108. Cancelled claim(s): 1-53, 68-69. New claim(s): 73-108. Amended claim(s): 54-67, 70, 72.

Response to Amendment

As per the objection of claims 55-56 for informalities imposed in the previous Office Action, this objection is hereby withdrawn in view of Applicant's amendment to claims 55-56.

As per the rejection of claim 58 under 35 USC 112, second paragraph imposed in the previous Office Action, this rejection is hereby withdrawn in view of Applicant's amendment to claim 58.

The amendment filed 07/11/2001 is objected to under 35 U.S.C. 132(a) because it introduces new matter into the disclosure. 35 U.S.C. 132(a) states that no amendment shall introduce new matter into the disclosure of the invention. The added material which is not supported by the original disclosure is as follows:

The newly added limitations in claim 54 recites "the effect of the collected sensor data on the calculation of the premium varies based on the indicated use".

The newly added limitations in claim 73 recites "the effect of the collected sensor data on the calculation of the first premium component varies based on the indicated Standard Industrial Classification code".

The newly added limitations in claim 107 recites "the effect of the collected sensor data on calculation of the premium varies based on the indicated use".

These newly added limitations appear to constitute new matter. Applicant did not point out, nor was Examiner able to find, any support for these newly added limitations in the specification as originally filed.

Applicant is requested to clarify the issues discussed above, to specifically point out support for the newly added limitations in the originally filed specification and claims to the extent possible, and to cancel any new matter in the reply to this Office Action.

Specification

The following is a quotation of the first paragraph of 35 U.S.C. 112:

> The specification shall contain a written description of the invention, and of the manner and process of making and using it, in such full, clear, concise, and exact terms as to enable any person skilled in the art to which it pertains, or with which it is most nearly connected, to make and use the same and shall set forth the best mode contemplated by the inventor of carrying out his invention.

The specification is objected to under 35 USC 112, first paragraph for at least the same rationale as discussed above, and incorporated herein.

Claim Rejections - 35 USC § 112

Claim(s) 54-67, 70, 73-76, 107-108 is/are rejected under 35 U.S.C. 112, first paragraph, as failing to comply with the written description requirement. The claim(s) contains subject matter which was not described in the specification in such a way as to reasonably convey to one skilled in the relevant art that the inventor(s), at the time the application was filed, had possession of the claimed invention.

As per claim(s) 54-67, 70, 73-76, 107-108, these claims are rejected for at least the same rationale as discussed above, and incorporated herein.

NOTE: The rejection presented hereinbelow if for Applicant's consideration should Applicant properly traverses the new matter issues discussed above in the response hereto.

The following is a quotation of the second paragraph of 35 U.S.C. 112:

> The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

Claim(s) 75 is/are rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention.

Claim 75 recites the limitation "the weight". There is insufficient antecedent basis for this limitation in the claim.

Additional clarification is requested.

Claim Rejections - 35 USC § 103

The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

> (a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negatived by the manner in which the invention was made.

The factual inquiries set forth in *Graham* **v.** *John Deere Co.*, 383 U.S. 1, 148 USPQ 459 (1966), that are applied for establishing a background for determining obviousness under 35 U.S.C. 103(a) are summarized as follows:

1. Determining the scope and contents of the prior art.
2. Ascertaining the differences between the prior art and the claims at issue.
3. Resolving the level of ordinary skill in the pertinent art.
4. Considering objective evidence present in the application indicating obviousness or nonobviousness.

Claim(s) 54, 57-58, 61-62, 65-67, 70-72 is/are rejected under 35 U.S.C. 103(a) as being unpatentable over Bauer (20020116228) in view of McMillan (5797134), Butler (Driver Record: a Political Red Herring That Reveals the Basic Flaw in Automobile Insurance Pricing, copy provided in previous Office Action), and Rejda (Principles of Insurance).

As per claim 54, Bauer teaches a method (Title) capable of:

(a) being deployed on-line over the Internet (reads on "computerized") (Abstract);

(b) providing auto (reads on "a property") insurance (Figure 1);

the method comprising:

(a) receiving, by the on-line system, a request to insure a vehicle (Figure 3 label 56);

(b) receiving, by the on-line system, use and garaging information of the vehicle (reads on "an indication of the intended use of the property") (Figure 3 label 60);

(c) obtaining vehicle information (Figure 3 label 60).

Bauer does not teach "collecting sensor data related to the property".

Bauer further teaches obtaining the driving records of each driver listed on the policy (page 2 paragraph 0031).

McMillan teaches that conventional methods for determining costs of motor vehicle insurance involve gathering relevant historical data of the applicant by referencing the applicant's public motor vehicle driving record (column 1 line 13-18). McMillan further teaches that there are known problems with this technique (column 2 line 40-55).

McMillan further teaches using vehicle sensors to collect data concerning the operation of the vehicle to prospectively set the insurance rate (Abstract).

At the time the invention was made, it would have been obvious to one of ordinary skill in the art to include the teachings of McMillan within the embodiment of Bauer with the motivation of reliably and accurately pricing insurance coverage (Bauer; column 2 line 40 to column 3 line 60).

Bauer further teaches calculating the premium based on the use information and the driving record of drivers listed on the policy (reads on "use-specific underwriting guidelines") (Figure 3 label 88).

Bauer does not teach "take into account the collected sensor data".

McMillan teaches using vehicle sensors to collect data concerning the operation of the vehicle to prospectively set the insurance rate (Abstract).

At the time the invention was made, it would have been obvious to one of ordinary skill in the art to include the teachings of McMillan within the embodiment of Bauer with the motivation of reliably and accurately pricing insurance coverage (Bauer; column 2 line 40 to column 3 line 60).

Bauer further teaches displaying the premium for the coverage (reads on "offering insurance coverage for the property based on the underwriting") (Figure 3 label 88).

Insofar as "denying insurance coverage", the applied art need not teach this limitation in view of "one of". MPEP 2111.04.

Assuming *arguendo* that this limitation flows inherently therefrom, Butler teaches using severely expensive surcharges to refuse non-desirable customers (page 231 paragraph 4).

At the time the invention was made, it would have been obvious to one of ordinary skill in the art to include the teachings of Butler within the embodiment of Bauer and McMillan with the motivation of providing a convenient refusal price to decline coverage to non-desirable customers, and thereby increasing insurer profits (Butler; page 231 paragraph 4).

Bauer further teaches calculating, via the on-line system, the premium for the vehicle based on the use and the driving records, as discussed above and incorporated herein.

Bauer and Butler do not teach "a premium for the property based at least in part on the collected sensor data, wherein the effect of the collected sensor data on the calculation of the premium varies based on the indicated use".

Rejda teaches calculating the premium based on:

(a) the territory where the vehicle is principally used and garaged (page 229 column 2 paragraph 3);

(b) the driving record (page 231 column 1 paragraph 1-3);

(c) the basis of how the car is driven, comprising pleasure with a one-way mileage to work under three miles, drive to work with a per diem mileage of three to fifteen miles or more, business use, and farm use that is not driven to work or school.

McMillan teaches using sensors to detect the number of miles driven (column 5 line 19) and the location of night and work parking (column 4 line 50-54).

At the time the invention was made, it would have been obvious to one of ordinary skill in the art to include the teachings of Rejda and McMillan within the embodiment of Bauer, McMillan, and Butler with the motivation of accurately pricing insurance coverage.

As per claim 57, Bauer teaches a photo inspection of the vehicle (reads on "sensor data… indicating the condition of the property") (Figure 3 label 84).

As per claim 58, Bauer, Butler, and Rejda do not teach "sensor data… indicating usage of technology incorporated into the property".

McMillan teaches that it is known in the prior art to provide surcharges and discounts based on vehicle equipments (reads on "technology incorporated into the property") (column 2 line 31-36).

The prior art as taught by McMillan does not teach "data indicating the usage of technology".

McMillan further teaches detecting data capable of indicating the status of seatbelt use (column 4 line 42).

At the time the invention was made, it would have been obvious to one of ordinary skill in the art to include the teachings of McMillan within the embodiment of Bauer, McMillan, Butler, and Rejda with the motivation of accurately pricing insurance premiums with the actual risk associated with a particular policy (McMillan; column 2 line 40 to column 3 line 60).

As per claims 61-62, Bauer teaches auto insurance, as discussed above and incorporated herein.

As per the set of claim(s): 65, 66, 67, this set of claim is rejected for substantially the same rationale as applied to the rejection of the set of claim(s): 54, 54, 54, respectively, and incorporated herein.

As per claim 70, Bauer teaches:

(a) using driving records to rate the policy (suggests "a first premium component" in view of the rationale applied to claim 54 above, and incorporated herein");

(b) using drivers, age, gender, driver type, and proof of financial responsibility status to rate the policy (reads on "data generic to the insured property", wherein a vehicle is known to be capable of being driven by any driver) (page 2 paragraph 0030).

As per the set of claim(s): 71, 72, this set of claim is rejected for substantially the same rationale as applied to the rejection of the set of claim(s): 54, 54, respectively, and incorporated herein.

Claim(s) 55-56, 59-60, 63-64 is/are rejected under 35 U.S.C. 103(a) as being unpatentable over Bauer in view of McMillan, Butler, and Rejda as applied to parent claim 54 above, and further in view of AAPA.

It is noted that the official notice taken in the previous Office Action is taken to be AAPA because Applicant failed to adequately traverse Examiner's assertion.

As per claims 55-56, Bauer and Butler do not teach "an industry in which the property is used".

McMillan and Rejda teaches business and non-business use, as discussed above, and incorporated herein.

Notwithstanding the above, AAPA teaches that using standard industry codes (SIC) is old and well established in the art of insurance.

At the time the invention was made, it would have been obvious to one of ordinary skill in the art to include the features of the McMillan, Rejda, and AAPA within the embodiment of Bauer, McMillan, Butler, and Rejda with the motivation of accurately assessing the insurance risk, and providing a convenient and standardized technique to specify the insured's industry.

As per claims 59-60, Bauer, McMillan, Butler, and Rejda do not teach "goods", "a building", "a boat", and "an airplane".

AAPA teaches that providing insurance for goods, buildings, marine vessels, and aircraft is old and well established in the art of insurance.

Furthermore, AAPA teaches that marine vessels and aircraft, species of an "automobile", are old and well established forms of transportation.

At the time the invention was made, it would have been obvious to one of ordinary skill in the art to include the features of AAPA within the embodiment of Bauer, McMillan, Butler, and Rejda. Using the known technique of providing sensor data on an insured property for accurately pricing insurance coverage of McMillan would have been obvious to one of ordinary skill in the art.

Claim(s) 73-108 is/are rejected under 35 U.S.C. 103(a) as being unpatentable over Bauer in view of McMillan, Butler, Rejda, and AAPA.

As per claim 73, this claim is rejected for substantially the same rationale as applied to claims 54, 56, 70 above, and incorporated herein.

As per claim 74, this claim is rejected for substantially the same rationale as applied to claim 54 above, and incorporated herein.

In particular, calculating the premium based on the classification of use, e.g. pleasure, farm, work, etc., is considered to be "a use-specific risk modifier".

As per claim 75, Bauer, McMillan, Butler, Rejda, and AAPA do not teach "adjusting the weight of the use-specific risk modifier based on the collected sensor data".

Rejda teaches classifying insurance risk based on the disclosed use, as discussed above and incorporated herein.

McMillan teaches using sensor data to monitor vehicle travel and location, as discussed above and incorporated herein.

Examiner submits that using sensor data to monitor vehicle travel and location in view of the disclosed use is considered to be "adjusting the weight of the use-specific risk modifier", wherein if the insured is traveling within the specified distance, the insured is considered to be low risk. Conversely, if the insured travels excessively, the insured is considered to be high risk.

At the time the invention was made, it would have been obvious to one of ordinary skill in the art to include the features of Rejda and McMillan within the embodiment of Bauer, McMillan, Butler, Rejda, and AAPA with the same motivation as applied to claim 54, and incorporated herein.

As per claim 76, this claim is rejected for substantially the same rationale as applied to claim 58 above, and incorporated herein.

As per claims 77-108, these claims are rejected for substantially the same rationale as applied to claims 54-67, 70 above, and incorporated herein.

In particular, page 9 of the Remarks filed 07/11/2008 asserts "Claims 77-108 merely replicate the dependent claims originally dependent from claim 54".

Response to Arguments

Applicant's arguments filed 07/11/2008 have been fully considered but they are not persuasive.

On page 9 Applicant asserts "Support for new claims 73-76 can be found at least in paragraphs [0074]-[0077]".

The specification in the Official file does not contain paragraph numbering. Additional clarification is requested.

It is noted that Examiner is only examining the copy of the specification available in the Official file.

See MPEP 1730(II)(B)(1)(d) for information on how to access the Official file. See also the last page of this Office Action for information on how to access the PAIR system.

On page 9 Applicant asserts "Applicants respectfully request a further interview with Examiners Nguyen and Gilligan in light of the above amendments and the following remarks prior to issuance of any further Office Action".

This request for interview is hereby declined in view of the outstanding non-art related issues in the instant pending application.

Applicant is invited to schedule a future interview after resolution of these non-art related issues.

As per claim 54, on page 10 Applicant argues that the applied art does not teach "the application of use-specific underwriting guidelines that take into account sensor data collected with respect to a property to be insured".

In making this argument, on page 10 Applicant admits that McMillan teaches that "business use surcharges are common in insurance pricing schemes", but equates this teaching to a "simplistic rule". Applicant further admits that McMillan teaches "taking sensor data into account in determining a premium".

Applicant provides no definition for "use-specific underwriting guidelines".

The teaching of McMillan is directed towards insurance underwriting, wherein the premium is calculated based on business or non-business use.

To the extent that this "simplistic rule" is not "use-specific underwriting guidelines", Applicant does not discuss how an underwriting guideline is nothing more than a rule used to determine an insurance premium based on the use of the vehicle.

To the extent that using business use data and sensor data in the same algorithm to calculate an insurance premium based on the business use and the collected sensor data, Applicant does not discuss what it means to consider data "in the context of a use-specific underwriting guideline".

Examiner submits that the various techniques taught by McMillan is directed towards underwriting an insurance policy, wherein business use and sensor data are used to determine an appropriate premium.

Therefore, the applied art suggest the claimed invention.

On page 10-11, Applicant argues that the applied art do not teach a "sensor".

In construing claim terms, the general meanings gleaned from reference sources, such as dictionaries, must always be compared against the use of the terms in context, and the intrinsic record must always be consulted to identify which of the different possible dictionary meanings is most consistent with the use of the words by the inventor. *Ferguson Beauregard /Logic Controls v. Mega Systems*, 350 F.3d 1327, 1338, 69 USPQ2d 1001, 1009 (Fed. Cir. 2003)

To the extent that Applicant's specification provides a controlling definition, it is not clear if Applicant intends for "diagnostic tools, measurement devices, detectors, and sensors" to be a controlling definition for "sensor", or if these are exemplary embodiments of a "sensor". Examiner considers this to be, at best, noncommittal definitions of a "sensor".

To the extent that Applicant relies on the American Heritage Dictionary of the English Language, Fourth Edition, which defines "sensor" as "a device, such as a photoelectric cell, that receives and responds to a signal or stimulus", a photoelectric cell is an exemplary embodiment of a "sensor", and therefore does not control the definition of "sensor".

To the extent that Applicant relies on Merriam-Webster Online Dictionary, 10th Edition, which defines "sensor" as "a device that responds to a physical stimulus (as heat, light, sound, pressure, magnetism, or a particular motion) and transmits a resulting impulse (as for measurement or operating a control)", heat, light, sound, pressure, magnetism, and a particular motion are exemplary embodiments of a stimulus, and therefore does not control the definition of "sensor". Further, for measurement and operating a control are intended uses of

the resulting impulse, and therefore also does not control the definition of "sensor".

Examiner notes that the two definitions provided by Applicant conflict because the first definition defines "a signal or stimulus", whereas the second definition defines "a physical stimulus". See above.

Examiner submits that "a signal or stimulus" is broader than "a physical stimulus.

Examiner submits that even in providing dictionary definitions, Applicant does not provide a single, unified, consistent definition of "sensor". Additional clarification is requested.

Based on the conflicting dictionary definitions provided by Applicant, and based on a best-effort interpretation thereof Examiner considers a "sensor" to be "a device that receives and responds to any stimulus".

Further, Merriam-Webster Online Dictionary defines "device" as "something devised or contrived; a scheme to deceive; something fanciful, elaborate, or intricate in design; a piece of equipment or a mechanism designed to serve a special purpose or perform a special function".

Claim 54 recites "sensor data related to the property". No additional recitation is directed towards the type of property.

Examiner submits that property is typically known as being tangible, e.g. cars, buildings, etc., and also as being intangible, e.g. patent, trademark, copyright. Therefore, within the context of the claim, it is apparently clear that a physical "sensor" cannot provide data for an intangible property.

If Applicant disagrees with this assertion, Applicant is requested to provide clarification on how a physical device is capable of providing data related to an intangible property.

Examiner further notes that the specification provides no controlling definition for "property".

Therefore, based on the specification's failure to provide a controlling definition, Applicant's failure to provide a consistent definition in the arguments, the definition of "device" provided by the same dictionary used by Applicant, and the context of the claim, Examiner broadly interprets "sensor" to recite any structure capable of providing data on the insured property.

Even assuming *arguendo* that "sensor" can be reasonably interpreted to exclude human beings, McMillan teaches using sensors to monitor a vehicle, as discussed above and incorporated herein.

Applicant's arguments on page 11-12 merely rehash arguments addressed above, and incorporated herein.

As per claims 59, 60, 63-64, on page 12 Applicant argues that "The Action fails to provide any evidence or rationale" for applying the methodology described above for goods, buildings, boats, and airplanes.

Examiner submits that the rejection of this claim relies on rationales (C), (D), under KSR, 550 U.S. at___, 82 USPQ2d at 1396. MPEP 2141(III).

In this case, using sensors to monitor cars for insurance purposes is known. Goods, buildings, boats, and airplanes are known.

Therefore, using sensors to monitor goods, buildings, boats, and airplanes is an application of known technique to improve similar devices, and an application of known technique to a known device ready for improvement to yield predictable results.

Conclusion

Any inquiry concerning this communication or earlier communications from the examiner should be directed to Tran (Ken) N. Nguyen whose telephone number is 571-270-1310. The examiner can normally be reached on Monday - Friday, 9:00 am - 5:00 pm Eastern.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, C. Luke Gilligan can be reached on 571-272-6770. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see http://pair-direct.uspto.gov. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

/T. N./
Examiner, Art Unit 3626
08/26/2008

/C Luke Gilligan/
Supervisory Patent Examiner, Art Unit 3626